# Documents on Diplomacy: Lessons

# Going Multilateral: From GATT to the WTO

"The World Trade Organization (WTO) deals with the global rules of trade between nations. The WTO's overriding objective is to help trade flow smoothly, freely, fairly and predictably."

### **World Trade Organization**

Standard: I. Culture

II. Time, Continuity, and Change III. People, Places, and Environments

V. Individuals, Groups, and Institutions
VI. Power, Authority, and Governance

VII. Production, Distribution, and Consumption

VIII. Science, Technology, and Society

IX. Global Connections

Grade Level: 9–12

Objectives: The student will:

• Identify different types of trade

Determine the pros and cons of the WTODescribe the impact of liberalization of trade

Time: 1–3 class periods

Materials: <u>Documents</u>: 1994 Excerpts from the Marrakesh Agreement Establishing the WTO

Resources: Map: The World Trade Organization

Exercises: Analysis of the WTO

Access to the computer and internet:

• Interactive Graphic: Members and observers of the WTO

http://www.wto.org/english/thewto\_e/countries\_e/org6\_map\_e.htm

Profile of the WTO from the BBC

http://news.bbc.co.uk/2/hi/europe/country\_profiles/2429503.stm#facts

#### Procedures:

- **1.** Have a copy of the unlabeled map on each student's desk at beginning of class.
  - **a.** Have them speculate what it represents.
  - **b.** Direct attention to the three colors (groups) and their numbers.
  - **c.** What organization could accommodate so many countries?
  - **d.** What might its purpose be?
  - **e.** What is significant about the countries in the smallest group?
  - **f.** Introduce the World Trade Organization if its identity is not determined.

- g. What do they know about the WTO?
- **h.** Have students write the appropriate information on the map.
  - Dark Green=Founding Members
  - Light Green=Additional Members
  - Yellow=Observer Countries
  - Gray=Non-Member States
- **2.** Provide the document, *Excerpts from the Marrakesh Agreement Establishing the WTO*, to students in pairs.
- **3.** Have students identify the following from the document.
  - a. Date of creation
  - **b.** Where is Marrakesh?
  - **c.** Purposes
  - **d.** Relevance of GATT
  - e. Uruguay Round of Multilateral Trade Negotiations
  - **f.** Original Members
- **4.** [Optional at this point in lesson.] Print and provide the Profile: World Trade Organization, which includes a brief background on the WTO. (It also succinctly identifies four main criticisms of the organization.)

http://news.bbc.co.uk/2/hi/europe/country\_profiles/2429503.stm#facts

- **5.** Explain that the students will explore five aspects of the WTO:
  - a. History of the organization
  - **b.** How to become a member
  - **c.** Benefits of membership
  - d. Misunderstandings about the WTO
  - **e.** How to resolve a trade dispute
  - f. Case Study: Cotton dispute between U.S. and Brazil
- **6.** Provide students with the exercise, *Analysis of the World Trade Organization*.
- **7.** Prior to the exercise, assign students one of the Ten Benefits of the WTO and one of the Ten Misunderstandings. This can be done by having students "number off" 1–10. These numbers correspond to the Ten Benefits and Ten Misunderstandings as listed below from the WTO's website. Each student will have the SAME number in BOTH lists.

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#### **Ten Benefits**

- **1.** The system helps promote peace
- 2. Disputes are handled constructively
- 3. Rules make life easier for all
- 4. Free trade cuts the costs of living
- **5.** It provides more choice of products and qualities
- **6.** Trade raises incomes
- 7. Trade stimulates economic growth
- 8. The basic principles make life more efficient
- 9. Governments are shielded from lobbying
- **10.** The system encourages good government

http://www.wto.org/english/thewto\_e/whatis\_e/10ben\_e/10b00\_e.htm

## **Ten Misunderstandings**

- **1.** The WTO dictates policy
- **2.** The WTO is for free trade at any cost
- **3.** Commercial interests take priority over development ...
- **4.** ... and over the environment
- **5.** ... and over health and safety
- **6.** The WTO destroys jobs, worsens poverty
- 7. Small countries are powerless in the WTO
- 8. The WTO is the tool of powerful lobbies
- 9. Weaker countries are forced to join the WTO
- **10.** The WTO is undemocratic

http://www.wto.org/english/theWTO\_e/whatis\_e/10mis\_e/10m00\_e.htm

- **8.** Conduct research either in a computer lab or with laptops in the classroom. If computers are not available, distribute copies (done beforehand) of the information listed on *Analysis of the WTO* exercise. (Students can share copies.)
- **9.** Have students share the results of their research. (Have lists of Benefits and Misunderstandings displayed.)
- **10.** Discuss the pros and cons of the WTO.
- **11.** Provide information about the protests that follow the Ministerial Meetings around the globe. Use Seattle, as an example. Discuss why some people vehemently oppose the WTO.

http://en.wikipedia.org/wiki/World\_Trade\_Organization\_Ministerial\_Conference\_of\_1999\_protest\_activity

- **12.** Discuss the pros and cons of each type of trade agreement.
  - a. bilateral
  - **b.** regional
  - c. multilateral ■

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